665 repeated the 1950 experience. Election districts
634 were allocated largely according to the distribution of the mutual aid teams, but elections were held with an average participation of from 70 to 80 per cent of all the voters. The elected ts'un People's representative conference was comprised mainly of poor peasants.[63] A statistical report on the composition of 776 ts'un Peoples' representative conferences showed that poor peasants constituted 56 per cent, while middle peasants took 35 per cent. The remaining 9 per cent went to farm laborers (5 per cent) and to the handicraft workers (4 per cent).

623 The ts'un government was elected from the ts'un People's representative conference. It was to include commissions on civil affairs, finance and food, agricultural production, culture and education, sanitation, public security, militia, and other functions.

•474 In the organization of mutual aid teams
665 among the peasants, high achievements were repeated in most provinces within the region. In Shansi, the organized peasants amounted to 55 per cent of the total peasant families. Hopei was the second largest with 49 per cent.[64] The other three provinces were poorly organized with 40 per cent for Pingyuan, 30 per cent for Chahar and 10 per cent for Suiyuan. The Communists did not attempt to increase the number of mutual-aid teams

63. Ibid., Aug. 10, 1951, p. 3.
64. Ibid., Dec. 30, 1951, p. 2.

474 and agricultural producers' co-operatives until
665 the nationwide drive of 1953-54. However, new mutual-aid teams continued to be organized in certain areas while consolidation of existing teams in other areas proceeded.

665 Along with the fulfillment of major assigned tasks there were programs to correct various abuses and laxities in rural districts of corruption and inefficiency, reported in the villages. The infiltration of the "reactionary" elements into the Party organization and the increase of newly rich among Party members were cited in many places. There were sign of general apathy among Party cadres caused by the low level of education which restricted the ability of the Party members to handle complicated tasks, and by the continuous overhauling and indoctrination imposed on the Party members this last had resulted in the demoralization and even loss of Party members. Of particular concern to the Party was the wu-to (five-too-many) phenomenon. Wu-to refers to too many tasks, too many conferences and training classes, too many forms, too many organizations, and too many jobs held by one person. The North China Party Bureau held a special meeting with a view to eliminating this phenomenon, and as a result, a directive was issued.[65] At this meeting many cases were cited: In Yü-tz'u county, Shansi Province, in a three-month period, 21 tasks were

65. Ibid., June 26, 1953, p. 1.

665 631 The Hopei People's government ordered the setting up of reallocation offices at all levels of government under its jurisdiction and mobilized 12,000 trained individuals to complete the task. The major job of reallocation was the elimination of village units and the combining of them into hsiang units. In many cases, according to the report of May 1953, a county, originally made up of two hunded to six hundred villages, was reduced to 140 hsiang. In this way, control was r ore readily centralized and elections coul be handled. Following the reorganization of hsiang administration, election districts were allocated. Voters were organized into teams and the representatives were elected for the Hsiang People's Congress.

After the promulgation of the Constitution in September 1954, Communist power was further strengthened at the basic level. The Hsiang People's Congress now holds the highest authority in the locality, but the true power remains with the Hsiang People's Council. These two institutions have gone through the two stages of construction and consolidation and Communist power is securely entrenched in the rural areas. However, the Communists have encountered serious resistance as a result of rural mal-administration.

665 631 474 The overly rapid expansion of agricultural producers' co-operatives in this region throughout 1954 and the program to increase rural Party membership at the beginning of 1955 raised further problems. As a result, the Communists have had to take strong measures to stabilize the rural political conditions. By overhauling the over-expanded co-operatives and by strengthening Party

1:Stanford U. S-4, 5 1956 AF 12 North China
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leadership in the rural districts, the Communsts hope to arrest further peasant resistance.

IV. PARTY CONTROL IN THE CITIES

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Communist political power in the cities was established and consolidated by a program nearly identical with that employed in the rural districts. The democratic reform movement and the campaign to suppress counterrevolutionaries, which were directed at the trade unions and at the urban populace as a whole, and the violent Three-Anti and Five-Anti campaigns , which were directed at the Party, the administration, the industrial and business circles of society, performed functions similar to those of the land reform program in the rural society.

Communist control in the city is maintained through Party control over organizations, extending from the trade unions to the students' federations, and reaching as far as the streets and alleys. The following is a brief discussion of the chief organizations found among the inhabitants of cities.[67]

The Urban Inhabitants' Committees were first organized in 1951 in the city of Tientsin, as an experiment. Their wide introduction in other cities throughout the nation was effectuated in January 1955 when a set of regulations governing their organization was promulgated by the Chairman of the People's Republic of China. The stated aim of the Urban Inhabitants' Committee was residing in or sharing a house with others, a committee represents from one to six hundred families.

67. Regulations of Committees in ibid., Jan. 1, 1955, p. 1.

1:Stanford U. S-4, 5 1 56 AF12 North China
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III. COLLECTIVIZATION

474 The establishment of co-operative organizations is the first step of the so-called "collectivization" movement in Communist China. On December 15, 1951 the Chinese Communist Party announced its intention to organize agricultural producers' co-operatives in the rural areas. The formal promulgation of the order was not issued until December 16, 1953, and by that time some 14,000 co-operatives had been established.[12] The number of agricultural producers' co-operatives increased from 100,000 in the spring of 1954 to over 650,000 in the summer[13] of 1955. The number of peasant households belongong to agricultural producers' co-operatives increased from 1.8 million to 16.9 million during the same period. If this estimate is approximately correct, it would account for almost 15 per cent of all the peasant households in China.[14]

The speed of the development of producers' co-operatives in North China was uneven. A large part of the rural areas in North China had been "liberated" before 1949, and the peasants in this region were more experienced

12. China Daily News, New York, Oct. 27, 1955.

13. New China News Agency Bulletin, London, Oct. 19, 1955, p. 3.

14. Ibid., p. 4.

•474 in "organized farming" and the mutual-aid teams which serve as a foundation for "agricultural co-operation." In Shansi Province, for example, about 41 per cent of the total number of peasant households belonged to producers' co-operatives in 1955; in Hopei Province, approximately 35 per cent.[15] In the summer of 1955, some 3,200,000 peasant households in the North China Region had been organized in approximately 160,000 agricultural producers' co-operatives.

475 In addition to this vast number of producers' co-operatives, there were nine large state farms, twenty district state farms, and about 400 hsien (county) farms, as of 1952, and the number has probably increased since that time, although no recent data is available.[16] Nine of the larger state farms in North China are the subjects of the following table.

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15. Ibid.

16. Kung-fei T'u-kai Pen-chih Chi Yen-pien [Land Reform and Its Development in Communist China], Taipei, Sixth Section of the Central Reform Committee of the Kuomintang, 1952, pp. 61-62.

• 474 433 In order to effectively promote the movement toward collectivism, Communist propaganda media was used to demonstrate the superiority of co-operative farming over the efforts of individuals. The following table illustrates how the production yields of the agricultural producers' co-operatives in Shansi Province, according to the Communists, compare with those of the mutual-aid teams and individual farms in the same province.

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Table 3. Comparison of Production Yields Among Various Farm Groups*

Locality	Farm Groups	Yields of Grain	
		Catties per shih-mou	Pounds per acre
Taiyuan, Shansi	Agricultural Producers' Co-operatives (average 31 units)	267	1,762
	Mutual-aid Teams	-	-
	Individual Farms	247	1,643
Ch'ang-chih, Shansi	Agricultural Producers' Co-operatives (average 984 units)	306	2,019
	Mutual-aid Teams	253	1,670
	Individual Farms	240	1,584

* Chugoku keizai nempo [Economic Annual of China], Tokyo, Chugoku Keizai Kenkyujo [Chinese Economic Research Institute], 1954, p. 308.

1:Stanford U. S-4, 5 1956 AF12 North China
AF12
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1:Stanford U. S-4, 5 1956 AF12 North China
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474 The average yield per unit of land of the 433 31 agricultural producers' co-operatives was about 7 per cent more than that of the individual farms in Taiyuan district in 1953; in Ch'ang-chih district, the average yield per unit of land was 21 per cent more than that of the mutual-aid teams and 27 per cent more than that of the individual farms.

IV. AGRICULTURAL PRODUCTION

243 The dominant factor in the economy of North China is the region's vast output of raw cotton. The production of grains is only secondary; other products such as peanuts, hog bristles, and poultry are also produced in large quantity.

A. Grains

The North China Region produces only 11 per cent of the country's grains. Wheat constituted 24.5 per cent of the region's total grain production[17] in 1953. The production of rice plays only a minor role in the total output of North China since the diet of the local population is unlike the most common in East China and the Central-South Region,

17. Ching-chi Tao-pao [Economic Bulletin], Hong Kong, March 10, 1953, p. 12.

1:Stanford U. S-4, 5 1956 AF12 North China
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435 Tientsin in North China, the index of both wholesale and retail prices of staples in 1954 was 100.4 per cent of the 1953 figures.[40] The total volume of trade in 1957 will be 133.2 per cent over that of 1952, according to the schedule for the first Five-Year Plan, as reported by Communist Vice Premier Li Fu-chun.[41]

B. The Co-operative Trading Companies

•474 Supply and marketing co-operatives in Communist China are organizations formed by the peasants on a "voluntary basis," under the direction of the government. Capital is made up of shares held by the members. Co-operatives supply member-investors with farm implements, fertilizers, and a great number of other commodities both for production and consumption purposes, and the co-operatives market agricultural produce and the products of local industry. State trading companies often sign advance contracts with co-operatives and supply them certain commodities at fixed, low prices. According to the most

40. Ibid.

41. Kung-shang Chieh [Industry and Commerc Peking, August 10, 1955.

474 recently available report, there were over 30,000 supply and marketing co-operatives in China in August 1955, with a total membership of 156 million, including 1 million staff members, and some 200,000 retail purchasing agencies.[42] According to Cheng Tzu-hua, director of the National Supply and Marketing Co-operative, the retail sales of the co-operatives will increase to 34.1 per cent of the total retail trade under the Communist's first Five-Year Plan.[43] The exact number of supply and marketing co-operatives in North China is not available, but if we calculate on the basis of the ratio of regional population to the population of China as a whole, there were approximately 3,000 co-operatives in the rural districts of North China at the end of 1955.

C. "State Capitalism"

471 The principal type of "state capitalism" are three: (1) The state trading companies or the supply and marketing co-operatives may designate private commercial firms as distributors for their products on a commission basis. (2) Private merchants may purchase commodities from state trading companies at wholesale prices for sale to consumers at retail prices fixed by the state. (3) Joint state-private ownership may replace private

42. New China News Agency release, Aug. 3, 1955.

43. Ibid.

8: Lin E-5 (1927)1928 AF12 North China AF12

board. The duty of the manager is to attend to the accounts of the society and to call meetings and make financial reports. 466 456

An annual meeting is held on April lst, at which all business of the society is discussed. New workers are admitted after having been three months in the employ of the company. Those who fail to pay monthly membership dues forfeit the privilege of membership.

The Consumers' Cooperative Store.—A store selling sundry articles was opened by some private person in the early days of the factory. But as the store was conducted on a business basis, with an eye to profit making, complaints were frequently lodged by the workers against high prices it charged for articles. The store was then closed by the factory, and, in its stead, a cooperative store of the Chiu Ta Salt Refinery and the Pacific Alkali Works was founded in April, 1927. The capital shares were subscribed by the staff members and workmen of these two factories. Each share is two dollars. A staff member is enititled to buy two shares and a workman, one share. In 1927, the capital was about $2,600. Both edibles and sundry articles of daily use are on sale at the store. It is further comtemplated to sell at the store rice and flour at a specially reduced price. There are in this store one manager who serves concurrently as the proctor of the dormitory, three salesmen and two clerks for keeping accounts. There is, besides, a board of five directors, whose function is to determine the general policy of the store, the kinds of goods to be stocked with and the prices. The price of articles is fixed in such a way as to leave a little margin for profits to be distributed in the following way: (1) 10 per cent to be paid as bonus to the store manager (2) 20 per cent to the salesmen and clerks (3) the remaining 70 per cent being distributed *pro rata* to the shareholders. Business at the store varies with the time of the month. According to its salesmen, more business is done during the first half of the month after the worker is paid his wage, but it gradually declines, during the latter half of the month when his wage is gradually spent. That is to say, the purchasing capacity of 466 474

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466 the workman dwindles slowly after the payment of his wage
474 until he is paid again in the next month.

V. SYSTEMS OF SAVINGS DEPOSIT AND FAMILY REMITTANCE

466 For the purpose of encouraging thrift and promoting the welfare of the worker, the factory has installed two systems, (1)
454 the savings deposit and (2) the family remittance. First any workman of the factory may open a savings account with the managerial department which, in turn, transfers the deposit to the accounting department at Tientsin. The deposit must not be less than 50 cents (silver) each time. The monthly rate of interest is 10 per cent for every dollar deposited and the interest is paid to the workman every month with his wages Secondly, the factory renders gratuitous service to the workman in remitting his money to his family. In order to prevent the abuse of this privilege, workers are required first to deposit the money to be remitted. The period for the drawing of the deposit is limited to the first five days of each month. It is to be remembered, however, that the worker's savings do not necessarily constitute his total savings, nor does the remittance necessarily constitute the total amount remitted. Nevertheless, there is no doubt that the factory handles a greater part of these two items. Let us now study the figures of savings deposits from January 1926 to June 1927 and the figures of remittances from January 1925 to June 1927 which are taken from the factory records.

454 First there is noticeable in Table 9 a general tendency that the total number of depositors formed a definite proportion to the total number of workers in the factory. On the average, three-fourths of the workers deposited their savings with the factory, while the remaining a quarter either did not have any savings at all or did not entrust them to the factory. Yet it should be pointed out that a departure from this tendency occurred at times, due either to abnormal conditions of the country or to a high rate of turn-over among the workers. For instance, the percentage of depositors rose to 83.4 in March 1926 and dropped to 60.9 in December of the same year. The high percentage in